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RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY

[on the report of the Second Committee (A/46/731)]

46/148. International debt crisis and development: enhanced international cooperation towards a durable solution to the external debt problems of developing countries

The General Assembly,

Reaffirming its resolutions 41/202 of 8 December 1986, 42/198 of 11 December 1987, 43/198 of 20 December 1988, 44/205 of 22 December 1989 and 45/214 of 21 December 1990,

Also reaffirming the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, contained in the annex to its resolution S-18/3 of 1 May 1990, the International Development Strategy for the Fourth United Nations Development Decade, contained in the annex to its resolution 45/199 of 21 December 1990, and the Programme of Action for the Least Developed Countries for the 1990s, adopted by the Second United Nations Conference on the Least Developed Countries, 1/

Taking note of Trade and Development Board resolution 396 (XXXVIII) of 4 October 1991, 2/

Welcoming the progress made in the context of recent developments in the evolving international debt strategy, which includes debt and debt-service reduction as central elements,

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1/ See Report of the Second United Nations Conference on the Least Developed Countries, Paris, 3-14 September 1990 (A/CONF.147/18), part one.

2/ See A/46/15 (vol. II), chap. II, sect. A.

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Also welcoming recent actions taken by the international community to reduce or cancel the official bilateral debt owed by least developed countries and other low-income countries in support of the adjustment efforts made by those countries to stabilize their economies,

Stressing the need to agree to proceed rapidly towards the implementation of recent initiatives and measures to reduce the volume of external debt and debt servicing and to provide debt relief,

Noting with appreciation the continued efforts to formulate and implement innovative and bold proposals and initiatives to address the debt problems, such as those taken under the Toronto terms, the Trinidad terms, the Netherlands initiative, the French initiative, the Houston terms and the Enterprise for the Americas Initiative,

Also noting with appreciation the recommendations contained in the report of the Personal Representative of the Secretary-General on Debt, 3/

Noting the proposals made by developing countries and regional organizations, including the Organization of African Unity and the Latin American Economic System,

Reiterating the need for an early and durable solution to the debt problems of developing countries and for forestalling their proliferation,

Stressing the need, in addition to debt-relief measures that include debt and debt-service reduction, for new financial flows to debtor developing countries,

Noting with interest the initial implementation of the rights-accumulation approach, addressing the problem of arrears with regard to multilateral debt,

Welcoming the increased cooperation among the International Monetary Fund, the World Bank and other multilateral financial institutions, and recognizing the need to avoid cross-conditionality,

Emphasizing the importance for debtor developing countries to continue to pursue and intensify their efforts in their stabilization and structural adjustment programmes,

Expressing its concern that in many developing countries the burden of debt and debt service constitutes one of the major obstacles to the acceleration of growth and development and the eradication of poverty despite the often strenuous stabilization and structural adjustment programmes of those countries,

1. Urges Member States and multilateral financial institutions, within their prerogatives, to work towards an early growth-oriented and development-oriented solution to the external debt problems, and, in this connection, urges them to intensify their efforts for the full implementation of General Assembly resolution 45/214;

3/ A/45/380 and Corr.1, annex.

2. Notes with interest the measures already taken by the international community, and agrees that there is a need for continuing efforts, through the evolving international debt strategy, in both the short and long term, to achieve an early and durable solution to the external debt problems;

3. Expresses its appreciation to the Secretary-General for his continuing efforts to promote understanding and to improve the relationship among debtor and creditor countries and multilateral financial institutions with a view to contributing towards a durable solution to the external debt problems of developing countries;

4. Emphasizes the importance for debtor developing countries to continue to pursue and intensify their efforts, in their stabilization and structural adjustment programmes, to raise savings and investment, reduce inflation and improve efficiency, taking into account their individual characteristics and the vulnerability of the poorer strata of their populations;

5. Recognizes the need of the debtor developing countries for a supportive international economic environment as regards, inter alia, terms of trade, commodity prices, improved market access and trade practices, and, in this connection, stresses the urgent need for a balanced and successful outcome of the Uruguay Round of multilateral trade negotiations, which would result in the liberalization and expansion of world trade to the benefit of all countries, in particular the developing countries;

6. Stresses the need, in addition to debt-relief measures that include debt and debt-service reduction, for new financial flows to debtor developing countries, and urges the creditor countries and the multilateral financial institutions to continue to extend concessional financial assistance, as appropriate, in order to support the implementation by the developing countries of their stabilization and structural adjustment programmes so as to enable them to extricate themselves from the debt overhang and to assist them in achieving economic growth and development;

7. Urges creditor countries, private banks and, within their prerogatives, multilateral financial institutions to consider the extension of appropriate new financial support to developing countries, in particular the low-income countries with substantial debt burdens that continue at great cost to service the debt and meet their international obligations;

8. Stresses the urgent need for additional debt-relief measures, including further cancellation or reduction of debt and debt service related to official development assistance, as well as other official bilateral debt and debt service, in particular that of low-income countries, and welcomes, in this regard, the call made at the Economic Summit Conference, held in London from 15 to 17 July 1991, by the seven major industrialized nations for additional debt-relief measures in favour of the poorest, most indebted countries that go well beyond the Toronto terms;

9. Also stresses the need for more urgent action with regard to the commercial debt owed by developing countries through increased efforts and improved access to and expanded use of existing facilities and arrangements, and encourages the continued consideration and, where appropriate, wider application of innovative measures, such as debt-for-equity swaps, debt swaps

for the protection of nature and debt-for-development swaps, as contributions towards addressing the external debt problems of all indebted developing countries concerned;

10. Notes the substantial debt relief and debt reduction agreed to by the Paris Club in favour of two middle-income countries;

11. Further stresses the need for the continued examination, in the relevant forum, of appropriate debt-relief measures in favour of indebted low-income and lower-middle-income countries;

12. Urges the multilateral financial institutions to continue to provide support for debt and debt-service reduction packages with the necessary flexibility under their established guidelines, and also urges that earnest attention be given to continuing to work towards a growth-oriented solution to the problems of developing countries that are having serious debt-servicing difficulties, including those countries whose debt is mainly to official creditors or to multilateral financial institutions;

13. Recognizes the urgent need to continue to provide a social safety net to vulnerable groups most adversely affected by the implementation of economic reform programmes in the debtor countries, in particular low-income groups, in order to ensure social and political stability;

14. Requests the Secretary-General to report to the General Assembly at its forty-seventh session on the implementation of the present resolution.

77th plenary meeting
18 December 1991